

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power and
Subcommittee on Oversight and Investigations
Joint Legislative Hearing
July 12, 2012
(As Prepared for Delivery)

We all want to see innovations and breakthroughs in the energy sector, and I believe that the federal government can play a constructive role in encouraging them. But when a Department of Energy program is not delivering on this goal while costing hundreds of millions of dollars, we owe it to the American people to pull the plug. Unfortunately, we have clearly reached this stage with the loan guarantee program and that is why I coauthored the No More Solyndras Act.

I would like to thank my friend and colleague Cliff Stearns of the Oversight and Investigations Subcommittee for his hard work and determination in getting to the bottom of the Solyndra story. Let us not forget that when our team started its investigation, both the administration and the company itself strongly denied that there were any problems whatsoever, and right up until its bankruptcy last summer, Solyndra was advertised to the American people as a stimulus success story. Some even accused us of witch hunts and fishing expeditions.

What the critics fail to comprehend is that this has never been about the merits of one energy source over another, but rather it is a debate focused on the incompetence and gross mismanagement of the Obama administration. Our aggressive oversight uncovered the problem, and now we must fix it.

The Solyndra loan guarantee was a massive failure every way you look at it. Just consider that the California solar panel maker's business model was so flawed that a \$535 million dollar government handout was not enough to stop it from going bankrupt. Now taxpayers are on the hook for every penny of it. And to think, as Solyndra was running out of cash in 2010, the Obama Department of Energy was considering a second \$469 million loan guarantee.

Of course, one bad loan does not make a trend, but other recipients of loan guarantees and other stimulus programs have joined Solyndra in bankruptcy, and the ultimate cost to taxpayers could reach into the billions. And even those recipients that remain solvent have achieved few worthwhile advances toward meeting the nation's energy needs.

Nor is there much evidence that the administration is learning from its past mistakes – in fact, its most recent loan guarantees look just as problematic as the first ones. The administration has amassed a very consistent track record as it tries to pick winners and losers – it almost always ends up backing losers.

I still believe there is a legitimate role for the federal government in funding basic research. But sadly, the Obama administration's gross mismanagement of the loan guarantee program necessitates the phase out of the Title XVII loan guarantee program. With the bankruptcies starting to pile up, our message to American taxpayers is clear: There will be No More Solyndras.

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